

The Virginia Wine Industry

William Moses

CEO Kluge Vineyard

Co-Chair Governor's Wine Study Work Group

Chairman, Virginia Wine Grower's Advisory Board

The Virginia Wine Industry

Growing Recognition

The State that... offers the most excitement today is unquestionably Virginia. It has more vines than Long Island, but the same acreage of vinifera varieties and three times as many wineries...that makes one eager to see what else is in store.”

Hugh Johnson, *The World Atlas of Wine*, 4th edition.

The Virginia Wine Industry

- 1607 Deeply rooted history – Jamestown
- 1769 Act for the Encouragement For Making Wine
- 1774 The Wine Company George Washington, Ben Franklin, George Mason...Thomas Jefferson
- 1920 Virginia Dare

The Virginia Wine Industry

At A Glance

Number of Wineries	80
Number of wineries >10,000 cases/yr	7
Number of wineries > 25 acres	19
Number of wineries > 50 acres	8
Number of Wineries > 100 acres	5

Average acres - 31

2002 harvest of 4,600 tons vs.

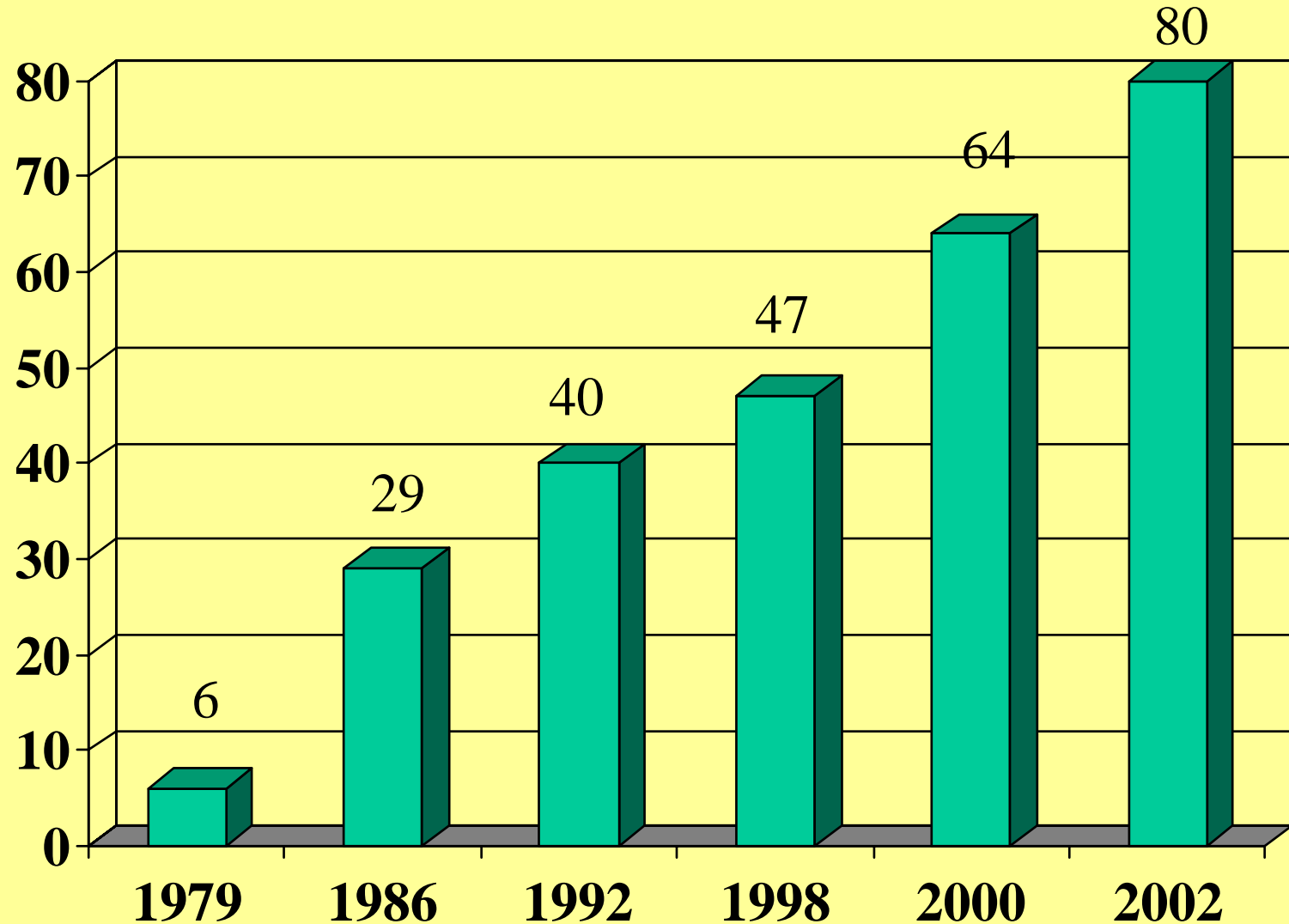
2001 harvest of 4,200 tons

Virginia Winery Expansion

- 5th Largest State in Number of Wineries
- 6th Largest State in acres planted
- 25 Counties are home to Wineries

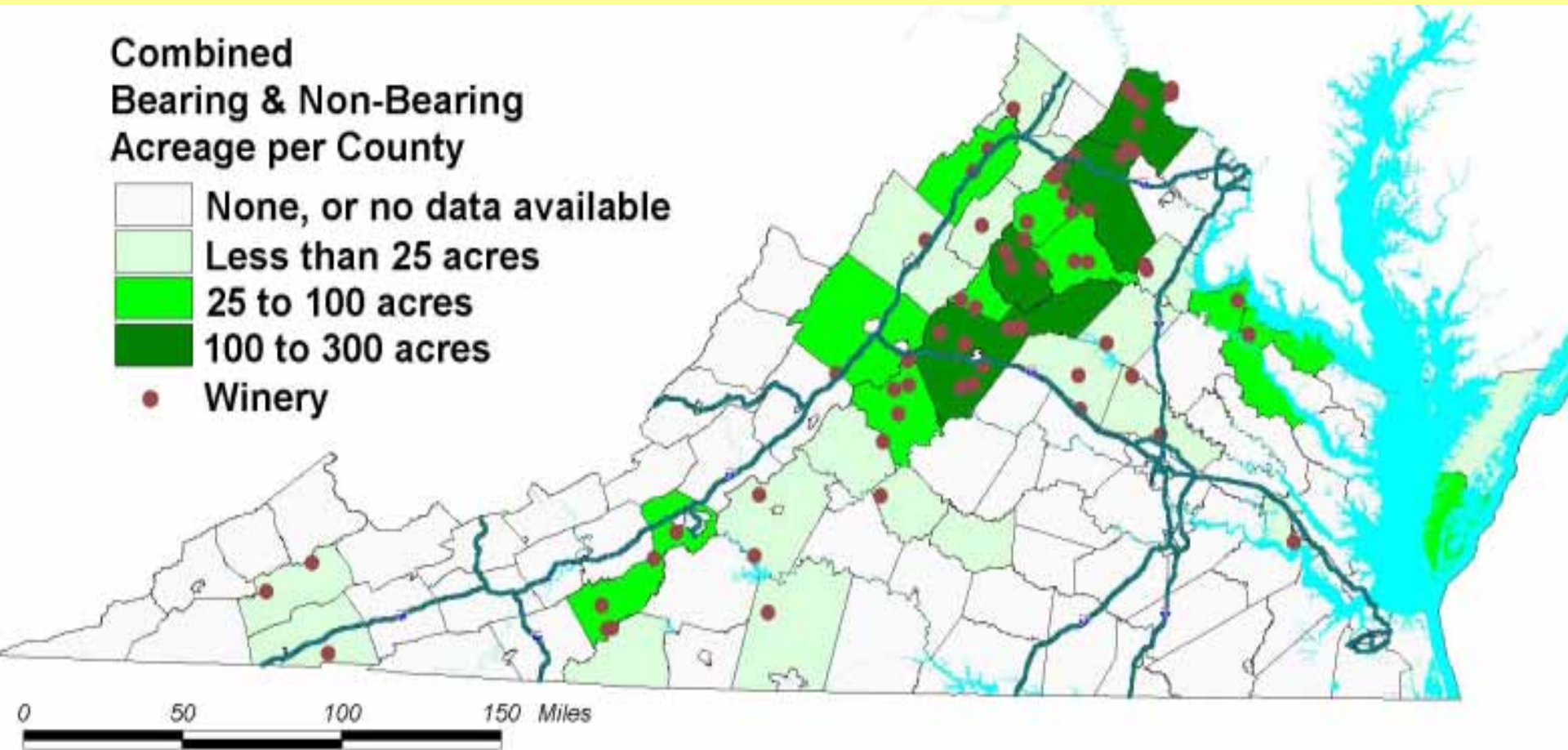
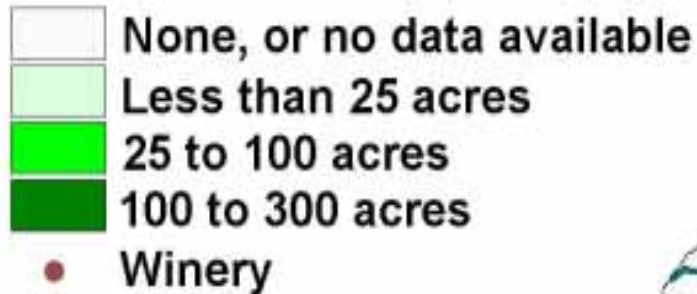
“Virginia Makes Wine,
Napa makes auto parts”

Virginia Winery Expansion



Distribution of Grape Acreage and Wineries in 2001

Combined
Bearing & Non-Bearing
Acreage per County



Virginia Leading Counties

Northern

Madison, Loudon, Fauquier, Shenandoah

Western

Augusta, Roanoke

Central

Orange, Albemarle

Eastern

Westmoreland, Essex, King George

Virginia Leading Counties

<u>County</u>	<u>Tons Produced</u>	<u>% of VA</u>
Albemarle	660	14%
Loudon	674	15%
Orange	740	16%

Virginia Leading Counties

<u>County</u>	<u>Bearing Acres</u>	<u>% of VA</u>
Albemarle	284	16%
Loudon	247	14%
Orange	214	12%

Virginia Grape Varieties

Type	Main Varieties	% of Acreage in VA
------	----------------	--------------------

Vitis Vinifera

Chardonnay, Cabernet France,
Cabernet Sauvignon, Merlot,
Pinot Noir, Riesling, Sauvignon
Blanc, and Viognier

80%

V. Hybrid

Chambourcin, Seyval, Other

15%

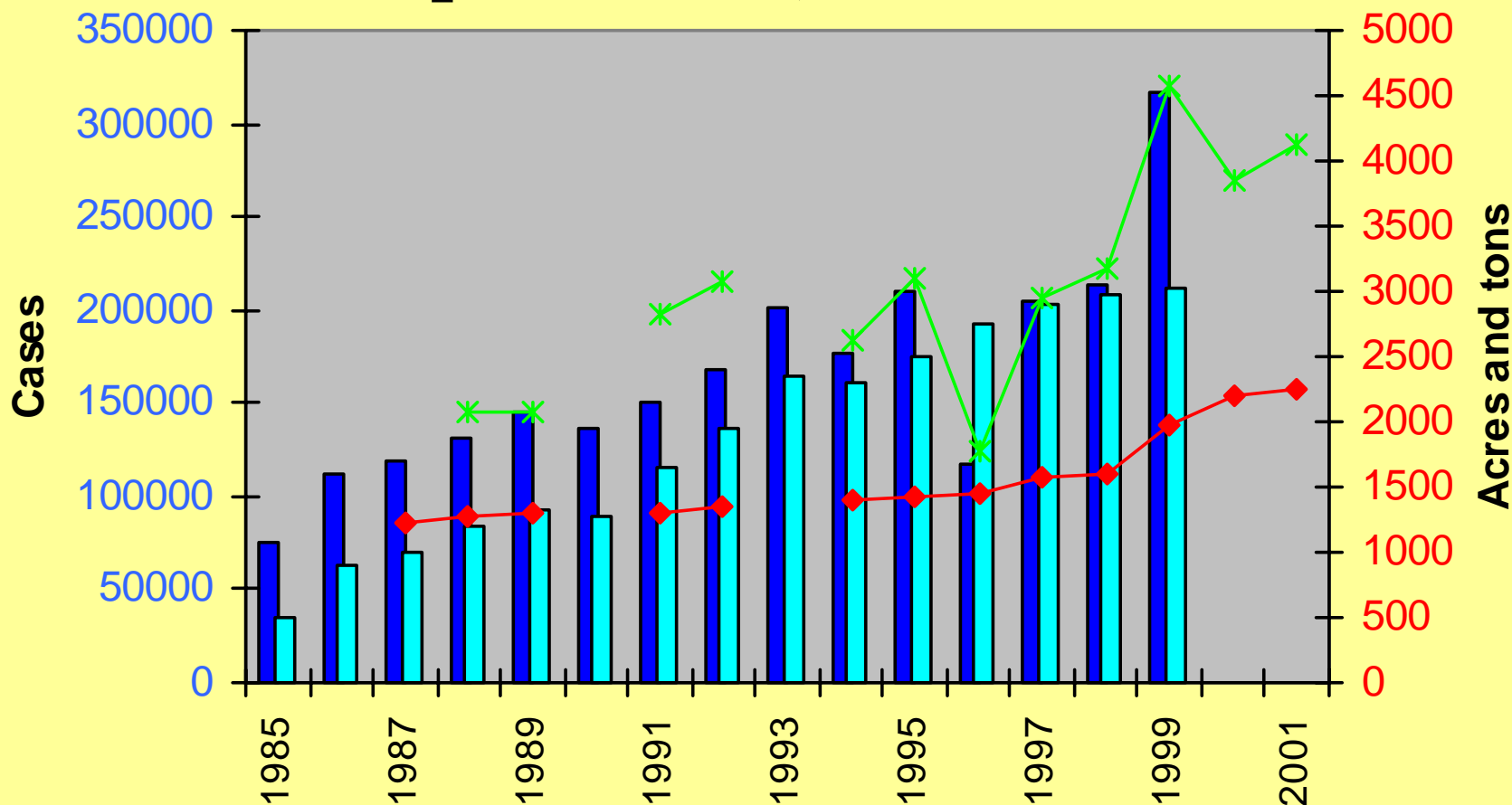
V. American

Concord, Norton, Other

5%

Trends

Virginia grape production, grape acreage, wine production, and wine sales



■ Wine Production ■ Wine Sales —◆— Acreage —*— Grape production (tons)

Top Virginia Producers

Wineries	County	Case Volume/ Year
Williamsburg Vineyards	<i>James City</i>	65,000
Prince Michel Vineyards*	<i>Madison</i>	45,000
Barboursville Vineyards	<i>Orange</i>	40,000
Chateau Morrisette	<i>Floyd</i>	25,000
Oasis Winery	<i>Fauquier</i>	20,000

The Virginia Wine Industry

Economic Impact

Visitor Spending- last estimate was in 2001 when it was estimated that 628,000 people visited wineries and that 50% were from out of state. With an average spend of \$55 per person by out of state visitors, the estimate of wine related expenditures is \$18 million. In state visits drive this to over \$26 million

Total Wine Sales – at winery and through distribution estimated at over \$69 million

Estimated Tax Revenue - \$8 million

TOTAL ECONOMIC IMPACT AT OVER \$95 MILLION

The Virginia Wine Industry

VIBRANT AGRICULTURAL SEGMENT

ENVIRONMENTALLY SOUND FARMING

SOLID REVENUE GENERATOR

GROWING NATIONAL RECOGNITION
FOR THE COMMONWEALTH